

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6280

BILL NUMBER: SB 54

NOTE PREPARED: Nov 29, 2011

BILL AMENDED:

SUBJECT: State University Use of Eminent Domain.

FIRST AUTHOR: Sen. Eckerty

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill provides that before a state-supported college or university may acquire property that contains an operating business through the use of eminent domain, the college or university must pay the owner of the business the capitalized value of the estimated future earnings of the business after the date the college or university would acquire the property in addition to paying the owner of the property:

1. The fair market value of property;
2. The fair market value of all improvements pertaining to the property; and
3. Any other damages to which the owner of the property is entitled.

The bill specifies certain procedures that must be followed if a state-supported college or university attempts to acquire property that contains an operating business through the use of eminent domain.

Effective Date: July 1, 2012.

Explanation of State Expenditures: The bill could increase the cost to state educational institutions who want to acquire property that contains an operating business through the use of eminent domain. The increase in cost is the capitalized value of the future earnings of the business. The increased cost is unknown but would depend on the business and on the capitalization rate used.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Educational Institutions.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.